

CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600
12 July 1966

ARMY review(s) completed.

State Dept. review completed

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HIGHLIGHTS

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I. The Military Situation in South Vietnam:
Operation EWA continues in Hau Nghia Province as US forces destroy 92 sampans, 95 buildings, and 42 bunkers (Para. 1). In South Vietnamese Operation BINH PHU 10, a total of 68 Viet Cong were killed in action yesterday (Para. 2). A total of 40 Viet Cong were killed in a South Vietnamese sweep near the major oil storage area seven miles south of Saigon (Para. 3). Communists are reported to be planning minor offensives on or before 20 July (Para. 4). North Vietnamese Army personnel are being used as Viet Cong replacements and reinforcements (Para. 5). The Viet Cong military capability in the IV Corps area has gradually declined (Paras. 6-8).

II. Political Developments in South Vietnam:
Recent conversations between US Embassy officials and ranking Buddhist monks indicate that moderate Institute chairman Tam Chau is not succeeding in attempts to regain control of the Institute, and may soon withdraw into the background (Para. 1). Although militant Buddhists will probably retain control of Institute policy, their immediate plans are not yet clear (Para. 2). There have been no reports of any significant reaction thus far to the sentencing and retirement of former I Corps commander General Thi (Para. 3).

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III. Military Developments in North Vietnam:

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Analysis of the effects of the US air strikes against North Vietnam's POL storage installations (Paras. 9-11). US Navy aircraft have struck the Duong Nham POL facility and the Co Trai rail and highway bridge (Paras. 10-11).

IV. Other Military Developments: There is nothing of significance to report.

V. Communist Political Developments: The Soviets are continuing their propaganda reaction to the US strikes on POL facilities in Vietnam (Paras. 1-4). Indian Prime Minister Gandhi arrives in Moscow for talks likely to center on Vietnam (Para. 5).

VI. Other Major Aspects: Flooding in some areas of North Vietnam could affect both food production and the movement of supplies (Paras. 1-3).

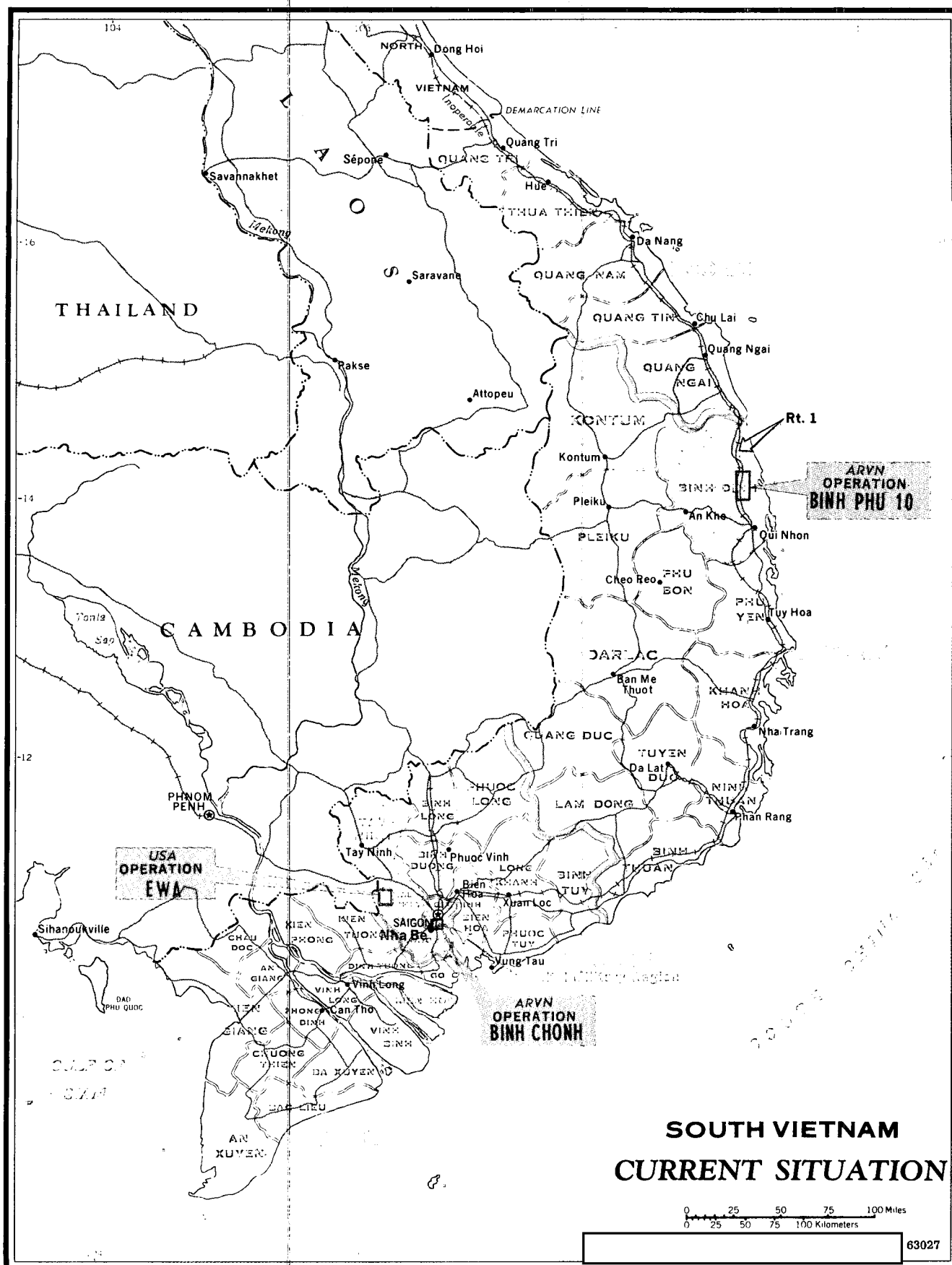
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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Elements of the US 25th Infantry Division participating in search-and-destroy Operation EWA have met with little enemy resistance in their sweep of an area about 35 miles west of Saigon in Hau Nghia Province. However, US forces have reported destroying 92 sampans, 95 buildings, 42 bunkers, 8 tunnels, and two tons of rice yesterday. To date, nine Viet Cong have been killed and three captured. Friendly casualties have been reported as one American wounded.

2. In South Vietnamese Operation BINH PHU 10, a highway security operation along Route 1 in coastal Binh Dinh Province, an estimated battalion-size Viet Cong force attacked a company of South Vietnamese troops yesterday. Friendly casualties are reported as eight killed and nine wounded. A total of 68 Communist troops were killed.

3. Two South Vietnamese Army Ranger battalions conducting one-day Operation BINH CHONH in Gia Dinh Province engaged an unknown number of Viet Cong yesterday approximately seven miles southwest of Saigon. The operation was aimed, at least in part, at driving the Communist guerrillas away from South Vietnam's major oil depot at Nha Be, about ten miles south of Saigon, and at forestalling a possible reprisal attack on the depot. Viet Cong losses were 40 killed, and one 60-mm. mortar and 12 individual weapons were captured. Friendly casualties were six killed and 25 wounded.

Communists Reportedly Planning Offensives On or Before 20 July

4. Two recent reports have referred to Viet Cong plans for offensives on or before 20 July--the anniversary of the signing of the Geneva Accords. [REDACTED] a

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VC meeting in Tay Ninh Province from 7 to 10 July urged all five districts in the province to send at least 100 recruits each before 20 July so that they would be on time for battle. Another report stated that a North Vietnamese regiment was departing Darlac Province last month, and before departure, members of this regiment reportedly said they would attack one large "enemy" position or several smaller ones in late July. MACV comments that attacks on targets of opportunity would be more likely than major confrontations. There are several reported Communist anniversaries this month.

North Vietnamese Army Personnel Used As Viet Cong Reinforcements

5. Recently captured Communist personnel have indicated that North Vietnamese Army (NVA) personnel and units continue to be used as reinforcements and replacements for Viet Cong main force regiments in the III Corps. Two enemy soldiers captured late in June stated they had been assigned to the Viet Cong 271st Regiment. These soldiers were former members of the 250th NVA Regiment. A captive taken in Long An Province on 9 July stated that his unit--the 320th NVA Regiment with a strength of 2,000--was reinforcing and integrating into the 272nd Viet Cong Regiment. Heavy Communist losses have forced the Viet Cong to use North Vietnamese replacements to continue their planned operations.

Decline of Viet Cong Military Capability in the IV Corps

6. The Viet Cong military capability in the IV Corps area has gradually declined, according to a MACV analysis of data of the past six months. A review of friendly military operations in the first six months of 1966 indicated the Viet Cong suffered heavy losses. There are continuing indications that the general level of training of full-time Viet Cong battalions is declining. In a South Vietnamese operation in Vinh Binh Province during late January, Viet Cong recruits reportedly abandoned their positions under heavy fire. Interrogation of prisoners taken in this operation revealed that the recruits had not been trained in the provincial training center as in the past, but that individual recruits had been sent directly into military units for training. Reports of inadequate training have come from other areas in IV Corps.

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7. According to the report, the Viet Cong combat battalions in the IV Corps retain the capability to avoid detection for relatively long periods of time and pose a battalion-size threat to South Vietnamese units and installations. Their ability to resist or escape after detection, however, has decreased. Although the Viet Cong in this area are maintaining an aggressive level of harassments and small-scale attacks on South Vietnamese units and installations, the infrequent contact with battalion-size forces leads MACV to believe that these actions are carried out by district companies and local guerrillas.

8. In the political sphere, although the Viet Cong have failed to meet many of their stated political and economic goals, they retain control of about the same area and populations as last year, and they extort the same or higher tax. In general MACV concludes that politically the Viet Cong have been able to support, but not expand, their position in the IV Corps.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Conversations yesterday between US Embassy officials and members of the Buddhist Institute council tend to confirm earlier clandestine reporting that the militant Buddhists are still in control of the Buddhist Institute. As a result, the extraordinary congress of the Unified Buddhist Association (UBA), which was urged by moderate Institute chairman Tam Chau as a means of reasserting his influence, may not be held. Tam Chau may now withdraw into the background rather than continue his attempts to arrive at a lasting agreement with the government. The US Embassy has concluded that a split in the UBA is possible but not probable, since both militants and moderates seem to realize the loss of political influence that would result for both factions. Militant Buddhists will probably retain control of the Institute, but the embassy feels that their assets are so limited that they can probably do no serious damage.

2. Although militant Buddhists have generally voiced their opposition to the September elections for a constituent assembly, it is not yet clear whether they have decided to make a concerted effort to conduct a boycott. The Buddhist Institute has not issued any recent official statement on the elections, and it may well continue its vague position. However, Thich Phap Tri, militant deputy chairman of the Institute, last week signed an antigovernment communiqué along with some extremist leaders of other religious factions which called for an election boycott. Although this group is continuing to publicize its antigovernment stand, there have been no reports thus far of any significant opposition developing to the elections. It may be that the Buddhists are also watching for reaction to the communiqué before deciding on whether to press for a boycott. Lists of candidates from central Vietnam, which will not

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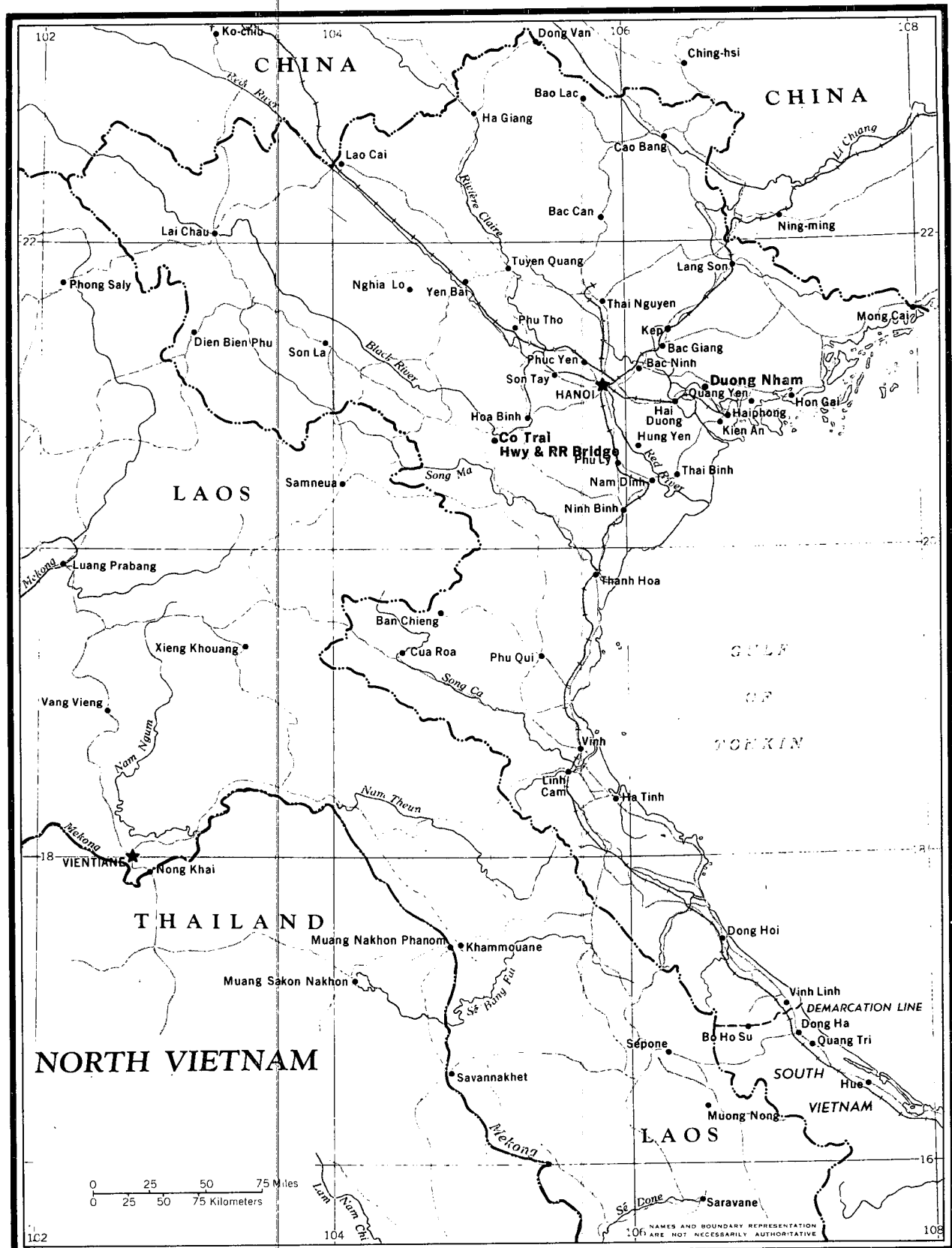
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be available for a few more days, may also shed some light on the degree of Buddhist participation.

3. There have been no reports of any significant reaction thus far to the sentencing and subsequent retirement of former I Corps commander General Thi.

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Analysis of POL Strikes

7. Further analysis of the effects of US air strikes against North Vietnam's petroleum storage installations indicates that about 45 to 50 percent of the prestrike capacity (165,000 metric tons) of principal bulk storage facilities has been damaged or destroyed with the loss of some 50-60,000 tons of petroleum products. Of the seven principal installations attacked in the recent raids, one--Hanoi--has been rendered completely unserviceable. Three, including Haiphong, sustained less than 50-percent damage, and three are virtually intact.

8. Despite these losses, North Vietnam still has sufficient petroleum storage capacity and stocks on hand to support civil and military operations--including infiltration--for more than five months at the estimated current level of demand (about 500 metric tons per day). More than 100,000 metric tons of capacity (including about 90,000 tons in principal installations) remain intact, and it is estimated that useable stocks in these facilities amount to about 80,000 metric tons.

9. The major import terminal at Haiphong apparently has suffered about 47-percent damage, but some tanks and the oil jetties are still useable. Installation of temporary piping or portable pumps could restore some use of this terminal, enabling the discharge of tankers directly into the facility or by barge from the outer harbor. Alternatively, tankers can be diverted to Chinese ports and the cargo transshipped by rail to North Vietnam. North Vietnam, thus, still has adequate facilities to maintain its supplies of petroleum through continuing imports, although the supply and distribution of petroleum will be made more difficult and more costly as a result of the raids.

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Recent US Air Strikes

10. US Navy aircraft attacked the Duong Nham POL facility for the second time on 12 July. Pilots reported their bombs were on target with black smoke from several fires seen up to 15,000 feet. The first strike on this facility took place on 6 July but no poststrike photographic assessment has yet been made. One F-8 Crusader was lost in the latest attack but the pilot was recovered.

11. US Navy aircraft also attempted to strike a major rail and highway bridge at Co Trai, some 21 miles south of Hanoi. However, the bridge was still standing and apparently was not heavily damaged, according to the strike leader's report.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. The Soviet Union is continuing with its propaganda follow-up to the 7 July Warsaw Pact statement on Vietnam. On 11 July the CPSU Politburo and the USSR Council of Ministers jointly announced "full approval and emphatic support" of the declaration and stated that "competent government agencies" had been instructed to "take all necessary steps" required by the statement "including those connected with rendering economic and military aid" with due consideration of the requirements caused by the "new phase of the war."

2. Such "instructions" are consistent with Moscow's well-worn propaganda theme of the past year promising continuing defensive aid as needed by the DRV. In addition the Soviets again implicitly accused the Chinese of negligence in supporting Hanoi by citing the declaration as "important evidence of the strengthening unity and cohesion of the socialist countries."

3. The joint party-government statement made no mention of "volunteers," but a Red Star editorial on 12 July raised the question again in the same vague and conditional manner evident in all other such references during the past year. It said that the member states of the Pact would "allow" their "volunteers" to go to Vietnam if this were "requested" by the DRV. According to TASS the editorial indicated that the US "escalation" may cause "a chain reaction which will transcend the boundaries of Asia."

4. Such qualified assertions do not add to Moscow's commitment but appear useful to Moscow in encouraging greater third-country pressures against the US to end its bombings of the North. In addition they help counter the continuing charges of "collaborationism" emanating from Peking.

5. Indian Prime Minister Gandhi was welcomed in Moscow for a four-day visit. It is unlikely,

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however, that her proposal to reconvene the Geneva Conference will be warmly received. At the end of June the Soviets responded negatively to the more modest British proposal to expand the responsibilities of the ICC in Cambodia, which in the past had been suggested as a means to open discussions on Vietnam. Soviet officials have repeatedly stressed to New Delhi they are unwilling to undertake any initiative in Indochina which would jeopardize their position in Hanoi. Since the DRV's position does not appear to have shifted, there is unlikely to be any movement in Moscow.

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Premier Pompidou said recently in London that British Prime Minister Wilson would find the political climate in Moscow inappropriate for a conference on Vietnam at this time if he suggested it during his impending visit.

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VI. OTHER MAJOR ASPECTS

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Press notices of 8 July also report that the Red River, which drains into the rich delta area, is rising "at a rate faster than any recorded since the beginning of the century."

2. Presently reported flood conditions could aggravate North Vietnam's already tight food situation if they have any substantial effect on the tenth month rice crop, which usually accounts for about two thirds of annual rice production.

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3. In addition to the possible effects on agriculture, floods--particularly in the southern provinces--could affect transportation and road construction, making the movement of supplies into MR IV more difficult.

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